

## Capital Planning Committee Meeting Minutes February 11, 2016

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In attendance were:

Steve Andrew  
Charles Foskett  
Diane Johnson  
Anthony Lionetta  
Eve Margolis  
Mike Morse  
Brian Rehrig  
Barbara Thornton  
Richard Viscay  
Sandy Pooler

\* Denotes those not in attendance

Also present Melina Salerno

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- **Meeting Opened:** CPC members were provided with an updated copy of the Capital Plan and other documents. Minutes of the January 14, 2016 meeting were reviewed and accepted. Charlie Foskett introduced Sandy Pooler, the new Deputy Town Manager. Sandy Pooler commented on Arlington's long standing commitment of 5% of the budget to capital. Charlie noted that David Good indicated that a certain item swept from the capital budget needs to be restored. (which item is not known by the CPC at this time).
- **Report on Special Town Meeting:** Charlie Foskett reviewed the final CPC report to STM. (copy provided) The Stratton School Articles were approved as well as the Regional Agreement for Minuteman and Fund transfers for Temporary Classrooms for Thompson. .

Relative to the Stratton School project, Diane Johnson reported that the significant difference between the Design Team's two estimators has yet to be reconciled. Brian Rehrig reported that the DOR accepted the Town's position/presentation on the use available balances from the 2000 debt exclusion vote for the Stratton project.

- **Updated Capital Plan:** Brian Rehrig reviewed changes to the Capital Plan, since the last CPC meeting. The following adjustments were noted: Additional funds for Stratton and a modification of the funding plan for the Senior Center resulted in an overage, north of \$1 million in the five year plan. Subsequently, the term for the modular units at Stratton was extended to 20 years resulting in a favorable outcome to the plan. Other adjusts were made but the position of the plan is still favorable. Diane Johnson noted that the item for Air Conditioner Replacements in FY 2020 for \$22,500 is in error and can be deleted.

The CPC voted to approve the updated Capital Plan, with deletion of the AC replacement item and with an extension to the term of the Stratton debt (now at 20 years) if needed to mitigate impacts related to the term adjustments to be made, as noted below.

- **Increased Coordination CP to Actual Borrowing:** Brian Rehrig noted a recent meeting with the Treasurer's office aimed at improving coordination between the CP and the Treasurer. The focus was on better aligning the terms used for borrowing. There are some items in the FY17 budget that may be revised from a seven to a five year amortization term based on the Treasurer's recommendation. The impact of this on the plan is yet to be evaluated. Any stress to the plan resulting from this effort will likely be mitigated by adjustment to the term for the Stratton School debt, or other offsetting changes as required.
- **Civic Center:** Barbara Thornton reviewed the Civic Center concept and concerns over the approach being taken relative to the Senior Center at the Central School Building. As a follow up to a letter of concern sent to the ARB by Barbara and Steve Andrew, Steve and Barbara attended an ARB meeting. There appears to be fundamental differences in the way the ARB and Health/Human Services view the proposed improvements to the Senior Center portion of the building and lack of appreciation of the Civic Center concept and its intended objectives. It is hoped that the incoming Director of Planning and Community Development will become involved in this situation. Also, Sandy Pooler stated that he will be involved in the Senior Center proposal and plans to attend the steering committee meeting on February 25.
- **Rescinding Prior Debt Votes:** Mike Morse presented a Warrant Article proposed by the Treasurer to rescind, authorized but not borrowed, items. As presented to the CPC, the Article is to be modified to eliminate the Fire Radio System Upgrade, which has determined to have already been rescinded by Town Meeting in the past. The Article does include \$125k for Thompson, as well as other smaller amounts which exist due to nuances to the borrowing process. The CPC voted to support this article subject to the adjustments noted at the meeting.
- **Review of Policy Issues:** Charlie Foskett reviewed various issues that have been raised over this past year, including repurposing of unused capital funds, capital thresholds/bonding and use of premiums. The CPC voted to accept the Comptroller's recommendations on the repurposing of funds. (See Attached). Relative to Capital Threshold/Bonding, Richard Viscay plans to work with Sandy Pooler on this topic. Also Richard Viscay offered to explore/assess better ways to treat copier items that may yield cost benefits. Diane Johnson expressed interest on the School side to jointly assess possible cost saving approaches from joint purchasing. There was a discussion about application of premiums. There appears to be agreement on the way these are currently being reflected in the Capital Plan.
- **FinCom Meeting:** Charlie Foskett reviewed the framework for the presentation to FinCom on March 21 at 7:45pm. Slide assignments were made to various CPC members. Drafts are due in a week or so. There will be a final CPC prep meeting on March 17.
- **Minuteman High School Policy Task Force.** the CPC voted to support the formation of a task force to help the Town decide what its official position should be on the upcoming money vote for MM. The issues are complex, far reaching and likely extremely burdensome. The Regional agreement has been approved by about 8 communities so far. The remaining district towns are expected to follow suit. The School District will soon be asking towns to vote to support \$144 million in funding for the new school. If only one town does to approve this funding, the School District could move for a Districtwide general referendum vote. There are numerous scenarios to be considered. The CPC voted

to have Charlie Foscett and Tony Lionetta (both of whom have been long involved in Minuteman issues) be its representatives on this task force if it is formed and if the CPC is invited to participate.

## **Adjournment**

Policy Name	Surplus Funds from Appropriations – Capital Budget Accounts
Policy No.	CAP02.001
Initial Issuance Date	December 3, 2015
Revision Date	
Approved By and Date	

## **OBJECTIVE**

To adopt a process for the Town for handling surplus funds in prior fiscal year appropriations for capital.

## **AUTHORITY**

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## **POLICY**

It is the Town’s policy to move unexpended capital appropriations to “surplus” accounts within the capital fund as a funding source for future capital needs of the Town.

## **PROCEDURES**

1. All available funds appropriated for capital will be reviewed annually by the Capital Planning Committee with their respective Town Departments to determine whether projects are complete and surplus funds are available. In making this determination there is a presumption that any capital project balances carried over for more than two fiscal years are surplus, ongoing construction projects excepted.
2. If surplus funds are available, the appropriation for the original purpose will be closed out, and the surplus funds will be moved to the appropriate “capital – surplus funds” account.
  - a. Surplus fund accounts will be categorized in categories as they were initially voted
    - i. Cash
    - ii. MGL 7(3a/22)
    - iii. MGL 7(6)
    - iv. MGL 7(9)
    - v. MGL 7(25)
    - vi. MGL 7(28&29)
  - b. Fund accounts will be created as needed to match the particular MGL for which the borrowings were allowed.
  - c. Funds appropriated for a particular purpose under a specified section of MGL Chapter 44 will be moved into the appropriate MGL surplus account so as to comply with the borrowing authority for which each item was borrowed.
3. Surplus funds may be expended by the Town Manager, with the approval of the Capital Planning Committee to fund capital items as follows:
  - a. Previously approved capital items that have unexpected cost overruns or scope adjustments approved by the Capital Planning Committee
  - b. New capital items subject to approval of Town Meeting
  - c. Emergency capital items